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ABSTRACT

This instructor's manual comprises part of one module in the National Training and Development Service Urban Management Curriculum Development Project. This module focuses on the middle-level line manager working in state or local government. The module provides undergraduate, graduate, and in-service students with a means for exploring questions of generic importance to middle-level managers in the public sector and provides practice in developing answers to those questions. This is done through the presentation of eight series of decision making cases. The manual includes teaching notes designed to assist the instructor in guiding the students to analyze each case and evaluate alternative courses of action. Cases are provided in the student's manual. (MK)

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CASES ON
THE MIDDLE-LEVEL LINE MANAGER

INSTRUCTOR'S MANUAL

Developed by

THE SCHOOL OF MANAGEMENT

BOSTON UNIVERSITY

John R. Russell, Principal Investigator

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Package IV

INSTRUCTOR'S MANUAL

CASES ON

THE MIDDLE-LEVEL LINE MANAGER

John R. Russell, Principal Investigator
Public Management Program
School of Management
Boston University

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GENERAL INFORMATION AND SUGGESTIONS FOR INSTRUCTORS

GENERAL INFORMATION AND SUGGESTIONS FOR INSTRUCTORS

Objectives of the Module

Perhaps more than anyone else in state and local government, it is the middle-level line manager who bears responsibility for the day-to-day effectiveness and efficiency with which government services are delivered. Positioned frequently at the interface between appointed officials and career civil servants, supervising small departments or subunits within departments, he or she must manage the ongoing operations of his or her agency as well as translate into action both the program initiatives mandated by various legislative bodies and the policy redirections ordered by top-level agency management. The attitudes and skills that these managers bring to their jobs, therefore, will influence profoundly an agency's capability and willingness to examine and improve current programs and procedures and to respond quickly to new demands.

Despite their pivotal position, and despite the fact that these middle management jobs are often filled by recent graduates of public management and public administration programs, it is customary in the academic setting not to focus very much student and faculty attention on the middle manager, or to prepare students to occupy middle management jobs in a purposeful, self-confident way. To some extent, this reflects the absence of an organized, generally accepted body of knowledge about the tasks of the middle-level manager. Much progress has been made conceptualizing and teaching about the functional specialties of public and private management -- that is, the skills and techniques of financial management, operations management, organizational behavior, and so forth. Significant progress has also been made in conceptualizing and teaching about the role of the high-level general manager in both the public and private sectors -- the agency head, departmental secretary, or corporate executive, who must balance the needs and capabilities of the various functional specialties in the process of developing organizational strategy and policy, tailoring organizational structure to carry out strategic objectives, and measuring the organization's progress toward meeting its stated purposes. Much less has been done, in a systematic way, to examine the work of the middle managers whose task it is to translate strategy, policy, and statements of purpose into action.

To some degree, this neglect of the middle management function stems from the shear difficulty of generalizing about it. The legitimate concerns of a particular middle management job are likely to cut across several functional areas. This may be because the manager's unit encompasses more than one functional specialty or because he or she, to do the job in a manner that reflects the interest of the entire organization, cannot afford a viewpoint that takes into account only the narrow interests of his or her organizational subunit. Dealing with this need to integrate functional specialties and to serve the needs of a broader constituency is a highly complex undertaking, so complex that good approaches and sensible answers to the issues that are raised can seldom

be developed except within the context of specific situations. Indeed, it may be, from one middle management situation to another, that only the appropriate questions are susceptible to generalization and seldom, if ever, the answers to these questions. It is little wonder, then, that most academic programs in public administration have left the skills of the middle manager to be learned after graduation in the context of on-the-job training.

Despite the complexity of the middle manager's task, the assumption underlying this teaching module is that classroom experience can offer a significant "leg up" for students who expect to work in such positions. The purpose of the module is to provide a means for focussing (in graduate, undergraduate, and in-service classrooms) on the tasks of the middle-level line manager in state and local public sector settings. The module does not attempt to develop precise and sweeping answers to the complex, rich, and diverse problems, challenges, and pitfalls that confront such managers. It is intended, rather, to illuminate and explore some of the questions that are of generic importance to men and women occupying or about to occupy these positions. Specifically:

- How do I get things done, working with and through the people in my part of the organization as well as with those in the rest of the agency and in its environment?

- How do I identify opportunities for operational improvements?

- How do I set priorities on these opportunities?

- How do I acquire the understanding of organizational procedures and tradition that will enable me to see how my part of the agency really works, to know what the keys are to changing its present operating style and results?

- How do I identify and work with the key people in the organization -- those whose active support or acquiesence is critical to my accomplishing my objectives for operational improvement? And how do I budget my time and efforts so that I become a "manager" not just a firefighter; so that I develop a clear and explicit idea of where I want to take my part of the organization over the long run and how I'm going to get it there?

In addition to lifting up these questions, a second objective of the module is to provide practice in developing good answers to them in a variety of specific situations. And, in the process of working with the material, it is expected (and hoped) that students will adopt a particular view of middle management; namely, that it involves much more than presiding over some part of a larger organization; that its opportunities and rewards come from initiating and completing actions that make the agency demonstrably better at delivering its services to the public.

None of this is meant to suggest that classroom experiences can embue students with such important leadership (and managerial) qualities as personal charisma. It is believed, however, that suitable teaching material, properly taught, can enhance a student's capability to make good use of whatever natural leadership attributes he or she may possess. It is also believed that the classroom can be a relatively effective surrogate for on-the-job experience; that what it lacks in realism is more than compensated for by the speed with which students can be exposed to a wide variety of situations and the extent to which this exposure will (when they are actually on the job) increase both their willingness to take reasonable risks and the probability that their initiatives will be successful.

Description of the Teaching Material

The material consists of eight separate series of decision-making cases, together with teaching notes. The first case in each series focusses on a particular middle-level manager, presents information on the organization of which he or she is a part, and describes (or provides information that allows the discovery of) one or more managerial problems or issues facing the middle manager. It is the students' task, with help and guidance from the instructor, to probe the evidence in the initial case, analyze the problems that it raises, develop and evaluate alternative courses of action that the manager might reasonably undertake, select a course of action, and think through the nature, sequence, and timing of actions necessary to put that course of action into effect. (General information on the case system of instruction and on the teaching of cases is set forth below.) Subsequent cases in each series describe what action the manager actually took and/or introduce additional information or new managerial problems to be analyzed, discussed, and resolved in the same way that the class dealt with the initial case.

The cases are designed to cover three phases of the middle manager's job: Sizing up the situation -- that is, finding out (before and/or soon after the job has been taken) about those aspects of the organization's history, external environment, internal procedures, and interpersonal relationships that determine the atmosphere in which the manager will be working and, to a large extent, the possibilities and limits of what he or she may expect to accomplish. The second phase with which the cases deal is identifying opportunities -- discovering what is "wrong," or, more simply, what needs to be done in the organization, and then developing and evaluating alternative possibilities for dealing with these problems in ways that will enhance the organization's effectiveness. The third phase -- implementing improvements -- concentrates on the process of actually putting new programs in place and/or getting an organization to absorb and respond to new approaches and procedures. The cases fall under the three headings as follows:

Sizing Up the Situation

Gerry Corbett (A), (B), and (C)
Adrian Dove (A) and (B)

Identifying Opportunities

Andy Kelbick
Department of Youth Services
The Agency for Child Development

Implementing Improvements

Summerthing (A), (B), and (C)
Cincinnati Neighborhood Clinics (A), (B), and (C)
Dover Municipal Hospital

Altogether, the package of eight case series provides a means of exploring the three phases of the middle manager's job in a wide variety of settings and circumstances. It should be noted, however, that assignment of the cases to one of the three phases is neither neat nor irrevocable. Because each offers a relatively broad-based view of some managerial situation, there is overlap among them, both as to the phase or phases with which they deal and the specific issues which they raise. For this reason, individual instructors should feel at liberty to use the cases to whatever ends best suit their own pedagogical objectives and their own interpretation of what purpose each case can best serve. In other words, it is conceivable that teaching modules using fewer than the full eight cases, or using cases in ways not envisioned in the teaching notes, may better serve the curriculum objectives of particular instructors.

The student manual for use with the module is in two parts. The first contains the initial case in each of the eight case series together with introductory material that familiarizes the student with the module and with the case method of instruction. The second contains the remaining cases in the eight series, packed loosely so they may be handed out, one at a time, at the appropriate point in the teaching schedule. It is highly important that students not be given the follow-on case(s) in a series until the initial case has been studied and discussed.

Teaching notes for the cases are included later in this instructor's manual. They provide more detailed information regarding the intended purpose of each case series; some suggestions regarding the way an instructor might approach the task of teaching the series; and numerous study and discussion questions designed to indicate what the key issues are and to help direct both student and instructor toward a resolution of those issues. As with the cases themselves, instructors should not feel bound by the suggestions in the teaching notes. They are designed to assist instructors in the development of their own teaching plans, not to provide "answers" to the cases.

Intended Audience

The primary audience for the module is masters level graduate students in programs of public administration and management or graduate level students in some functional specialty (such as social work or finance) who expect, someday, to become middle managers. An important secondary audience is in-service personnel who are about to be promoted into middle management jobs, and whose work perspective must expand to include, not just the requirements of their functional specialties, but also the well-being of the entire organization and the demands of its external environment. Finally, it is conceivable that the cases may be useful in an undergraduate setting, provided the students are accustomed to a participative mode of instruction.

If, during their academic program, students are required to take courses in subjects such as finance, personnel, labor relations, organizational behavior and design, operations management, and so forth, it is desirable to have most of these requirements completed before they are given this module. This will allow them to bring the skills and viewpoints learned in these specialized courses to bear on the more general problems encountered in the cases, and to test the usefulness of some of the concepts and tools they have learned elsewhere.

Instructor Qualifications

An instructor experienced in teaching by the case system is ideal, but by no means necessary. For those who wish to try the case approach but are new to it, information on the nature of that approach and on the preparation and teaching of cases is set forth below. For those accustomed to teaching by lecture, the only critical prerequisite is the willingness to experiment with a new pedagogical method that demands a great deal of listening, and to live with that method's weaknesses and appreciate and benefit from its strengths.

Classroom Setting

The class should be large enough to ensure adequate participation, but small enough to give everyone an opportunity to take part. Twenty-five to forty participants is best. Students should have a comfortable chair and adequate writing space on which to spread out case pages and notes and on which to take additional notes during the discussion period. Chairs should be arranged, too, so that other participants, without going through violent contortions, can see the face of a student who is speaking. If the students do not know one another, and/or the instructor does not know each student by name, it is very important that large, legible name signs be placed in front of everyone. Another essential is plenty of blackboard space for the instructor.

Time Required

Information regarding the suggested outside preparation time and in-class discussion time for the cases is included in the teaching notes. The actual time used in class may vary greatly, however, depending on the detail with which the instructor wishes to discuss various issues and/or the manner in which he or she chooses to position and use the case in their individual curricula. It should be possible, however, to complete the module in ten to twelve one and one-half to two-hour class sessions at the rate of one class session per day.

Supplementary Reading

Instructors may wish to do some background reading themselves in preparation for teaching the cases and may wish to assign readings to help students prepare the cases better. If so, the following are recommended:

Books:

Allison, Graham T., Essence of Decision, Little Brown
Selznick, Philip, Leadership in Administration, Harper & Row
Barnard, Chester I., The Functions of the Executive, Harvard University Press
Lawrence, Paul R., and Lorsch, Jaw W., Developing Organizations, Addison-Wesley
Anthony, Robert N., Planning and Control Systems, Division of Research, Harvard Business School

Articles:

Wrapp, Edward, "Good Managers Don't Make Policy Decisions," Harvard Business Review,[1] September-October, 1967.
Spiegel, Arthur H., "How Outsiders Overhauled a Public Agency," Harvard Business Review, January-February, 1975.
Bennigson, Larry, "The Strategy of Running Temporary Projects," Innovation, 24, 1971.
Katz, Robert L., "Skills of an Effective Administrator," Harvard Business Review, September-October, 1974.
Uyterhoeven, Hugo E.R., "General Managers in the Middle," Harvard Business Review, March-April, 1972.
Mintzberg, Henry, "The Manager's Job: Folklore and Fact," Harvard Business Review, July-August, 1975.
Bower, Joseph L., "Effective Public Management," Harvard Business Review, March-April, 1977.

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[1]Reprints of Harvard Business Review articles are available through the magazine's Reprint Department, Soldier's Field Station, Boston, Massachusetts, 02163.

Introduction to the Case Method

The following excerpts from a speech given by Professor Robert W. Merry of the Harvard Business School provide background on the nature and purposes of the case method of instruction:[1]

> The use of the term "case" is so widespread, ranging from the medical case to the law case to the business case to the social worker's case that I wish to establish the meaning for which I shall use the term. I shall label as a "case" a description of a situation or problem actually faced by an administrator, and requiring analysis, decision, and the planning of a course of action. I use this statement in the sense in which mathematicians use zero as a number: a decision may be to delay a decision and a planned course of action may be to take no action.
>
> I wish furthermore to distinguish between the use of cases and the "case method." Cases may be used in many ways. After certain principles have been presented by lecture or assigned reading, a case may be assigned students for reading and the instructor may then lecture upon the ways in which the principles may be applied to the case. Or the students may be asked to try to apply the principles to the case as an exercise. Both of these practices would use cases; neither would be the use of the case method.
>
> The case method I would define as the student discussion of a sequence of cases planned to develop within the students (1) an understanding of the principal problems of importance to an administrator in the field of activity they are studying, (2) some proficiency in producing useful ideas about ways of effectively handling the kinds of problems studied, and (3) good judgment in deciding on one and in planning its effective execution by the organization.
>
> In further characterization of the case method, I should like to include the provision that the cases are drawn from actual experience, even though they may be disguised in superficial ways and sometimes simplified to bring the scope of the problems within reason for class use, so long as this modification does not violate fundamental data or relationships. . . .
>
> As a further requirement for my use of the term "case method," I include the provision that the responsibility for exploration and argumentation of both analysis and projected plan

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[1] Speech given at a meeting of The American Public Health Association, Inc., Miami Beach, Florida, October 23, 1967. Reprints of the entire speech are available from the Intercollegiate Case Clearing House, Soldier's Field Station, Boston, Massachusetts, 02163, under the title: The Usefulness of the Case Method for Training in Administration (9-372-105).

shall lie with the students, not with the case leader. The focus is, therefore, on students learning through their joint, cooperative effort, rather than on the teacher conveying his views to the students. The role of the case leader is an important one, but it is not telling the students the answers. It is through questions guiding their discussion into unconsidered aspects of importance, assuming some responsibility for relating the progress of discussion to the time available, often challenging superficial thinking when other students do not, but challenging by questions leading the student along the road of his proposal until he sees for himself the consequences of his proposal.

. . . . . .

As a means of conveying knowledge, the case method is disorderly and appears unstructured. Ideas come to the student from the data of case facts and from the discussion of them, as students and case leader all argue among themselves and challenge and support and explore each other's ideas of the pertinence of particular facts, the influence of particular considerations, the contribution of new data derived from the presented material after analysis or calculation, and the importance of various factors. The ideas come as a child learns--by experience, in whatever order events occur. An invisible structure actually underlies the apparent randomness, however, and the previous development of this structure through the writing, selection, and sequencing of cases, is one of the major contributions of the professor.

The underlying structure for the case method involves compromises between a number of factors often in conflict. Two of the most important are a logical structure for coverage of the subject area and a pedagogical structure for facilitation of student learning. The orderliness of a compact, clear-cut, succinct statement, whether by lecture or by reading, is not achievable by the case method. There is little question that in the short run, factual data can be conveyed more rapidly and with greater structure by lecture or by reading than by the case method. Over [a longer period], however, information can be conveyed effectively in terms of quantity and of comprehension.

. . . . . .

In the development of a complex idea one may draw a structure from cases or present a structure and then provide case experience or provide case experience and then present a structure. These alternatives are matters of pedagogical choice. If the student is given a structure and then is confronted with a case, he may find himself frustrated; for whereas he may have thought the situation was quite clear when he had learned the structure, his disappointment and confusion in finding the elements of the structure do not fit well or in usable form the practitioner's world may make of the assignment an unhappy, anxiety-producing, confidence-shaking learning experience.

If, on the other hand, the student first seeks to work his way through case problems, the professor may bring out in the discussion through appropriate questions ways of arriving at usable figures. Or he may after considerable student struggle with the problem, in a lecturette in class or perhaps in a lecture at a later class, clarify the situation not only through a presentation of structure but also with a consideration of the possibilities and relative usefulness of approximations calculable from existing data and based on reasoned assumptions--complexities that would be meaningless to the student until he had faced them himself. In this way, the instructor may both reduce the time taken by the student to reach a substantial understanding and increase the depth of understanding reached.

. . . . . .

For training in the projective aspect of the administrator's task, in the development of ingenuity toward thinking up sensible alternative ways of handling a situation instead of trying to think of "the solution," in the evaluation of the relative gains and risks in each alternative including judgments regarding the capacities of the various management people to carry out one as compared with another of the various possibilities, and in planning a course of action for making effective through others in the organization the decision reached by the administrator--for training in these the case method offers extremely valuable learning experiences. . . . The participants extend their recognition of possibilities--both for opportunities and for dangers--far beyond their original capacity, as they are challenged by others and by the case leader on their suggestions or as their ideas are enlarged or extended in the course of the class exploration of desirable ways of handling the problem under discussion.

. . . . . .

Fundamentally, I believe the most important feature of the case method for training administrators is that it is situational, for the administrator is always dealing with a situation. The administrator never enjoys the economists' "long run," he works always in the short run. He never enjoys the pleasure of "other things remaining equal," for him they never do. Each problem is affected by the traditions of the institution in which it arises, the practices of the profession involved, the characteristics of the individuals concerned, the relationships among the executives, the differences in perception, the experiences of the past with similar problems, precedents from predecessors, constraints arising from physical surroundings or equipment, from financial resources, from personal capacities, from limits of time available and the vagaries of the moment. The administrator does not and cannot live in the generalized world of the scholar; he lives in a particularized world of a particular situation, with particular people,

> at a particular place, at a particular time, with particular limits, in a particular organization. Through its presentation of a long series of particular situations, related to each other, discussed under the knowledgeable guidance of the professor as case leader, the case method is a tool of particular, but only particular, usefulness among the variety of methods available to the teacher of administration.

Preparing to Teach a Case[1]

To any case-method instructor the importance of his preparation for class is fully apparent. To the new instructor, however, it may come as something of a surprise that his task in preparing for a case class is more arduous than that of the students and more arduous also than that of a lecturer. If he were lecturing, the instructor would be the one to determine what material he would present and in what order he would present it. In embracing the case method, however, he has surrendered his sovereignty and yet undertaken to maintain control over the discussion. It would be a mistake for the new instructor to assume that he had only to read and reread the case and then go into class and ask one or two leading questions. Rather he must be so thoroughly conversant with the case that he is ready to deal with any angles which the class may introduce, to modify his approach at any time, or suddenly to change his outline in accordance with new ideas which may not previously have occurred to him.

Case teaching is a highly individualistic art, and the methods and approaches of one instructor seldom can successfully be appropriated by another. Every seasoned instructor develops an approach of his own. Each new instructor has to do likewise, and there are no general rules for him to follow. The instructor about to teach a case class for the first time, however, may be slightly at a loss as to what form his preparation should take.

The first step in the instructor's preparation of a case is to master the facts. The instructor needs to go over the printed case again and again, making outlines, marginal notes, and written summaries of essential details. If there are figures in the case, he will make many calculations, not only the ones which he himself believes to be correct but also others, which he anticipates that the students may put forward as appropriate and significant. He will scrutinize the apparent issues to make sure that they are the real ones. And if there are important subordinate issues, he will recognize that some questions probably will have to be settled before others. He may find it helpful to develop a conceptual framework which will show how the several pieces of the puzzle fit together.

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[1]Excerpts from "Preparation to Teach a Case" by Robert W. Merry. Copyright, 1954, by the President and Fellows of Harvard College. All rights reserved. Copies of the entire article are available from the Intercollegiate Case Clearing House, Soldiers Field Station, Boston, Massachusetts, 02163. Catalogue number 9-354-021.

After these preliminaries, the instructor needs to view the case itself as a whole, assessing it in terms of the principal areas for exploration and discussion, considering the relation of one to another, and devising key questions to lead into each of them. He may wish to give considerable care to the wording of these questions. By foreseeing the various avenues of connection, the instructor can be better prepared to effect transitions from one issue to another, as well as to guide the class into the critical areas for discussion. Next he will note the answers that the class probably will offer to these key questions on the basis of the materials in the case, and the reasonable answers he will follow to their logical conclusion. Where weighing of considerations is involved, he will list the pros and cons and undertake to balance them. And in each area he will make the pertinent mathematical calculations. By these means he will develop what may be termed a teaching outline, which probably will differ markedly from his initial analysis of facts and figures and which may well cover several pages of foolscap.

In the classroom the instructor who is teaching by the case method for the first time may be inclined to adhere closely to this detailed teaching outline. He has put a great deal of thought into developing a program for the class meeting, he has followed through all the lines of argument which he thinks the students may reasonably offer, and he is pretty well convinced that the class discussion ought logically to develop according to his script. If the discussion should deviate from the course which he has laid out, he will be tempted to try, by narrow and specific questions, to set it back on the path in order to make sure that every point in his outline is accorded proper consideration.

In actuality, rigid adherence to a predetermined line of development may make for a discussion notably lacking in freshness and spontaneity. If, as they are put forward by the class, arguments and observations on the case are forced into the instructor's own outline, the students may soon be deterred from presenting an independent development of the case. To narrow questions they will give narrow answers, and the quality of the discussion will deteriorate rapidly.

After he has experienced the disappointing class discussion which results from an attempt at rigid control, the new instructor may resort to a procedure which involves almost no control. He will put to the class at the outset the major question to be discussed and will permit the students to bring up whatever points they choose, in whatever order they see fit. This procedure also entails difficulties. There is the danger that several important aspects of the major issue of a case may be overlooked if the students move on too rapidly to another issue. The discussion of one issue may be superficial or unsound because its development depends on another issue which has not yet been discussed. The treatment of points at random, following no logical system or pattern, is likely to have the result that at the end of the hour a student has no clear concept of an appropriate analysis of the case.

Something between these two extremes of tight control and no control at all is ordinarily called for. And the new instructor may find that he can most readily achieve this objective if he can free himself from close reliance on his notes. Having worked out his detailed teaching outline, he may do well to put it aside in favor of a mere list of the critical areas -- such a list as may fit on an index card or two, which the instructor may glance at during the class hour simply to make certain that no important areas have been slighted. For the details of development he will rely on the thoroughness of his own preparation.

. . . . . .

In planning his strategy the new instructor ought not to overlook the potentialities of the chalkboard as a teaching aid. He will turn to it naturally to set down figures. But he will find it useful also for such things as listing the pros and cons brought out by the class, or jotting down notes as to major areas for discussion, or developing steps in a program of action to carry out a decision. When analysis of a case entails calculations, these very probably will need to be put on the board. Ideally the instructor will proceed by getting the students to tell him what figures to write, not by standing at the board and transcribing his own computations. But it will help him to make a quick mental verification if he has his own calculations before him. Hence he will do well to have with him the papers on which he has done his figuring. He may wish also to put on the board, as they are brought up in class, a series of headings which will indicate the major areas of discussion. These need not conform precisely to the instructor's own outline, but they are likely to approximate the headings noted at some point in his outline.

. . . . . .

Thoughts on Teaching Cases[1]

In the classroom there are many ways by which the instructor can open the discussion. Some instructors habitually start with the question "What is the issue?" and from there go on to "What are the pertinent facts?" Others start with "What are the facts?" Others begin by asking, "What action should be taken?" And still others simply ask, "What about this case? . . ."

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[1]Excerpts from the "Use of Case Material in the Classroom" by Robert W. Merry. Copyright, 1954, by the President and Fellows of Harvard College. All rights reserved. Copies of the entire article are available from the Intercollegiate Case Clearing House, Soldiers Field Station, Boston, Massachusetts, 02163. Catalogue number 9-354-019.

Under the case system, discussion commonly proceeds by breaking down the given situation and examining critically each of the parts. In this atmosphere there is a very real danger that students may develop a hypercritical or negative attitude, concentrate on pointing out at what stages something was done badly or arguing why some proposed course of action should not be undertaken, and carry their analysis and recommendations no further. In such situations, the instructor may need to make a conscious effort to direct the students' thinking into affirmative, constructive channels, to instill some feeling for the importance of positive action: "These are the circumstances; this, broadly, is the thing we are aiming to achieve; how can we accomplish it? . . ."

Where a student is given a free hand in analyzing and discussing a case, he needs time to demonstrate his thinking; and the number of participants in the discussion in the class hour will sometimes be no more than five or six. On the other hand, if the instructor chooses to call on a succession of students for one or two points apiece, as many as thirty to forty-five students may be drawn into the discussion. The choice of procedures depends on the personal preference of the instructor, the nature of the material, the size of the class, and the maturity and experience of the students.

Under the case method the objective is to arrive at a decision, ordinarily a decision as to action to be taken. The selection of method by which to reach the objective is, of course, the province of the instructor. He may call upon the student to state his decision and then to develop his reasoning and defend his position. Or he may concentrate on securing analytical development for a large part of the period, with the class formulating a decision after the discussion has proceeded for some time. Several students in turn may state their individual conclusions and advance relevant arguments. And then, after the discussion has gone on for a while and it is fairly clear that the concensus is in a particular direction, the instructor may ask one of the students to pull together and summarize what has been said, or the instructor himself may choose to phrase the summary.

. . . . . .

From time to time class interest needs to be built up or sustained. Often a change of pace may be helpful. The instructor can modify his line of questioning, illustrate from his own experience, or turn to a new aspect -- for instance, examination of the available statistical material. Expressions of opinion by the instructor should be given sparingly lest students, even those accustomed to the case method, fall into the habit of expecting "the answer" regularly to be furnished to them. Humor and a sense of showmanship are useful in case teaching, as in lecturing.

. . . . . .

Lively discussion is dependent on alert voluntary participation by the class. If the instructor takes to stating his own opinion as to what is correct without paying sufficient attention to the students' views and without leading the students along the path of his reasoning, discouragement of volunteering definitely will occur. Such discouragement will appear also when the instructor seems to be "looking for the answer" and calls on one student after another for a statement of conclusions without giving any of them an opportunity to develop his reasoning. More often than not, of course, there is no one "right answer," and the substance of the decision is likely to be less important than the exercise of decision-making. Along with the decision there needs to go some appreciation of the problems of carrying out the decision and in case of a negative decision -- not to accept this offer, not to buy that piece of equipment -- some suggestion of a feasible counter-proposal.

When the discussion is not running in the direction which the instructor thinks is important for understanding, his best procedure is to listen to what the students are saying. They may be developing something significant which the instructor himself has not thought of, or they may have run into a road block which interferes with their progress. In this latter event, the instructor will either abandon the particular line of questioning or develop some new questions designed to remove the difficulty. If the students have failed to grasp the significance of certain things in the case and so have not seen the issue which the instructor is trying to emphasize, it may be desirable to say frankly, "Let's back off and make a fresh start" or "Let's approach this problem for a moment from a completely different direction." The students need to be stimulated to arrive at a decision for themselves.

. . . . . .

TEACHING NOTES

TEACHING NOTE

GERRY CORBETT (A), (B), and (C)

I. Purpose of the Cases

1. To explore the problem of assessing the career potential and probable personal fit of a middle management job opportunity before accepting the job.

2. To practice delineating and evaluating the appropriateness of possible strategies for approaching the first few days (or even hours) of a new middle management job.

3. To examine the problem of defining one's middle management job, selecting the role to be played in that job, and choosing a management style that is most likely to prove effective.

II. Time Requirements

	Outside Preparation	Classroom Discussion
Gerry Corbett (A)	1 hour	½-3/4 hours
Gerry Corbett (B)	None	½ hour
Gerry Corbett (C)	None	½ hour

III. Assignment Questions

Gerry Corbett (A)

1. What roles might Gerry Corbett play in her position as assistant manager of finance? For which one(s) does she seem best suited? Which ones would be easiest? Most likely to be productive?

2. What kinds of information about the Finance Bureau does Corbett need to acquire quickly? How can she get it?

3. How should she deal with (i) Katherine Whist's memorandum, (ii) the list of sixteen tasks, (iii) Laura Daniels' absence, and (iv) Matt Turner's apparent lack of familiarity with departmental operations?

4. What should she do for the rest of the day? The next few days?

This teaching note was prepared by Professor John R. Russell of Boston University's Public Management Program. Funds for its development were provided by a grant from the National Training and Development Service.

IV. Additional Classroom Questions and Discussion Topics

Gerry Corbett (A)

1. What's it like in the Finance Unit and the Accounts Unit? What kinds of people work there? What do you think their attitudes are toward their work? Their supervisors? The management of DoW?

2. What opinions do you think the employees have of Corbett? What do Dave Rossiter and Laura Daniels probably think of her? What implications does this have for the role that Corbett can play in the department and the way she should conduct herself?

3. What are the key problems (personnel, organizational, or other) that Corbett will have to deal with in order to be effective in her new job?

Gerry Corbett (B)

1. Has Corbett's interview with Rossiter changed your views of the role she will have to play as assistant manager of finance? In particular, what stance should she take toward Daniels and Rossiter?

2. What expectations can Corbett reasonably have for her new job? Is it a hopeless situation?

3. How is she doing so far? Has she done anything from which it will be difficult to recover? What else might she have done on her first day at work?

4. Develop a list of items for Corbett to accomplish in the next two weeks.

Gerry Corbett (C)

1. Evaluate Corbett's job history? How do you account for her apparent difficulties? How much of it is attributable to her being a woman? How much to other causes?

2. Could Corbett have developed a better understanding of the situation in the Finance Bureau and the DoW before accepting the job? How? What are some of the key questions she should have asked? Of whom?

3. How long do you think Corbett will remain at DoW? Why?

V. Flow of the Class

Gerry Corbett (A)

This series of relatively short cases focusses on sizing up a middle management job before accepting it and during the first few days on the job. The cases help students think about (i) how best to get a good handle on the promise and pitfalls of a prospective middle management position and (ii) how to develop a strategy for dealing with the early period on the job when, despite relative ignorance of the organization's personnel, policies, procedures, history, and climate, a manager may have to take action, adopt a management style that may be difficult to change later, and take steps to define and bound his or her role in the organization.

The (A) case is the only one requiring outside preparation. The others should be read in class, with all three comprising a single discussion session, one and a half to two hours long.

The (A) case provides students with the same amount of information about the Department of Welfare and its Finance Bureau that Gerry Corbett had when she arrived--that is, a little background on her supervisors and on the purpose of the organization, and even less information about the people she would be managing. It also follows her through the first half of her first day at work, when she is given several specific assignments by the Manager of Finance. The central issue is, "What should she do during her initial days on the job and why?"

To get to the answers, the class can begin with a short discussion of what it's like in the Finance Unit and the Accounts Unit (Who are the important actors? What are they like? What do they do?) and what are Corbett's strengths and weaknesses as a potential manager of the two activities (What does she already know about the organization? What does she need to find out? Does she seem to fit?). This should lead to discussion of a key issue for Corbett: What roles might she eventually envision for herself in the department (close day-to-day supervision of Rossiter and Daniels, champion for the changes desired by the new breed of managers, consultant to the department working on the sixteen tasks, or something else) and how should she conduct herself so that her options remain open until she is sure of the role she can play and wants to play? After considering these questions, the class should be asked to be very specific about what Corbett should do during the remainder of her first day at work and during the next few days, how she should go about it, and why. After the class has laid out a schedule for her to follow, the (B) case may be passed out and read.

Gerry Corbett (B)

The (B) case enriches both the students' and Corbett's understanding of the Finance Bureau and raises the important questions

about who really are the "good guys" and who are the "bad guys." It leaves no question, however, that Corbett has been positioned between two factions who have little in common and little use for one another. Class discussion should focus on firming up previous conclusions (in light of this new information) on the role that Corbett must play to be an effective middle manager in this organization, and the style that she should adopt both with respect to those who work for her and those for whom she works. Attention can also focus on getting the class to decide what Corbett's expectations for this job can realistically be. What can she hope to accomplish? Indeed, has she gotten herself into a hopeless situation where there are great risks of appearing inept--no matter what she does--and not much likelihood of effecting significant improvements?

Those in the class who are optimistic should be pressed to assess Corbett's performance so far, and to modify their plans for her activities during the next few days, based on the added information and impressions that she has garnered from her interview with Rossiter. Those who are pessimistic should be asked how they think Corbett might have avoided getting herself into such a predicament. Discussion of this last issue should lead easily to the (C) case.

Gerry Corbett (C)

The (C) case sheds considerably more light on Corbett, herself--that is, on her background, job history, and attitudes toward herself and those with whom she comes in contact. The discussion may be structured around the three questions outlined in IV, above, with particular emphasis on how Corbett could have learned more about the dimensions of her job before accepting it. One product of this discussion might be a list of the ten to fifteen things that the class believes must be known or done before deciding that a middle management job is worth taking.

VI. Additional Information

The following "(D) case" provides some insight into Corbett's progress during her first few weeks as assistant manager of finance:

On Tuesday, October 12, Corbett noticed that the conference room in the Finance Bureau had a table, a telephone, a window, and a door; and she moved into it and made it her office. One of the items on Corbett's sixteen-task list from Turner required a draft of regulations for recouping money from nursing homes in cases where their rates had been adjusted downward. Turner had told Corbett that he wanted a draft of the recoupment regulations by Friday, October 15, to give to the Federation of Nursing Homes. Since the matter involved medical policy, Corbett scheduled a meeting with Patrick Rosenberger, Director of the Long-Term Care Unit of the Medical Assistance Division, and Dave Rossiter for Wednesday, October 13. Said Corbett:

> This was on my list, and this was one of the key things Matt wanted—to get this money back into the department.
>
> I came on like a barrel of tigers, saying, "Matt wants this out by Friday, and it's got to be done."

Rosenberger had proposed regulations that would make favorable adjustments in the calculations for nursing homes that had appealed the downward rate decision. In the belief that these facilities were trying to deliver higher quality care, he also wanted not to penalize nursing homes whose rates had been adjusted downward because of excess nursing costs. Corbett and Rossiter had discussed these proposals privately before the meeting, and agreed that they were administratively unworkable. After discussing them for awhile at the meeting, Corbett closed the session by quashing Rosenberger's proposals and demanding a redraft by Friday. She recalled what happened:

> Patrick went straight to Turner and said, "Look, I don't think you're going to have a draft of the regulations by Friday." They had gone completely around me already at that point, but I had decided I had had to come on strong saying, "This is what Matt wants, and this is what Matt is going to get. I'm working for him, and this is what I'm going to give him."

In the next few weeks, Corbett studied, consolidated, and assigned priorities to the tasks Turner had given her. She determined what the projects were, who would work on them, and what the target dates for their completion would be. She put all this information on a project chart.

She also hounded Rossiter on his response to Katherine Whist's memo on the status of the back bills, but no letter was forthcoming from Rossiter, despite her insistence. After two and a half weeks, Laura Daniels returned to work.

TEACHING NOTE

ADRIAN DOVE (A) and (B)

I. Purpose of the Cases

1. To explore the problems of managing a program whose principal output is advocacy--that is, influencing one or more external organizations to accomplish identifiable results. Within this broad category, to examine the specific, and common, situation confronted by a minority-group person responsible for managing an affirmative action program as a separate staff function within a larger organization whose operating units are resistant to his objectives.

2. To examine the special difficulties and opportunities presented to a middle manager whose superior is an elected chief executive lacking extensive formal controls over operating units of the municipality.

3. To formulate a plan for initial staffing of an office and utilization of other resources that will serve the manager's ultimate objectives.

II. Time Requirements

	Outside Preparation	Classroom Discussion
Adrian Dove (A)	3 hours	1½ hours
Adrian Dove (B)	none	none

III. Assignment Questions

Adrian Dove (A)

1. What are Dove's objectives? How will he know if he is doing well?

2. What problems does he face? What are his principal obstacles and points of exposure?

3. What resources does he have? Are they sufficient? How should he use them? For example, how should he staff his office? How should he use the volunteers and the advisory committee? How should he budget his own time?

This teaching note was prepared by Professor Colin S. Diver of Boston University's Public Management Program. Funds for its development were provided by a grant from the National Training and Development Service.

4. Formulate a plan of action for Dove to follow during the next few months. What steps must he take and in what order?

IV. Additional Classroom Questions and Discussion Topics

1. Who are Dove's most important constituencies? Why? What does he have to do to satisfy them?

2. If you were Dove, what role would you want Mayor Bradley to play? How valuable an ally is Bradley?

3. What information does Dove need? How should he go about getting it?

4. How does the procurement process work? Who makes the important decisions? Who is in the best position to influence minority business procurement opportunities?

5. How much flexibility does the city charter provide? Is there flexibility that isn't being used? How could you get the law changed or its interpretation changed?

6. How can Dove influence the behavior of the procurement officials? What leverage does he have?

V. Flow of the Class

A systematic approach to teaching the case would begin by getting students to lay out enough of the situation confronting Dove to make intelligent proposals for subsequent action. This logically begins with a statement of Dove's objectives, an inquiry whose answer is not as simple as it may seem to students ("increase minority procurement"), since Dove's objectives are so time-constrained. Mere survival is a very high order objective, given his dependence on uncertain outside funding and the short duration of the mayor's remaining term in office. Satisfaction of OSBA's sponsors (OMBE and city council) in the short run will heavily influence Dove's choice of methods, emphasis and tactics. Another problem with a quantifiable objective is the lack of a base line. The significance of the five percent majority procurement target in the grant application obviously depends on what the current percentage is--an unknown.

The discussion at this point should shift of its own momentum into the question of the obstacles and problems faced by Dove. It is important for students to see how very precarious his position is (OMBE Regional Office probably hostile, city council skeptical-to-hostile, resistant procurement bureaucracy shielded by an inflexible competitive bidding law, and an overexpectant and rebellious minority business community). At this point, some students should hopefully resist the inclination to overstate Dove's problems, by identifying opportunities for Dove to make a

favorable impact on some of these constituencies (discussed infra). If not, then the instructor may move on, intending to raise these points later (when asking students to develop a plan of action for Dove).

The final "table-setting" inquiry concerns Dove's assets and resources. Aside from parroting back the enumeration of staff, budgetary and volunteer resources in the case, students should be led to think of such other resources as Bradley, the minority business community, and Dove's own abilities and contacts. It's important to talk explicitly about Mayor Bradley as a resource, since the superior-subordinate relationship is an essential one for a middle manager to understand, cultivate, and exploit. Bradley seems to be Dove's greatest resource (Bradley's high visibility and prestige, the apparent high degree of goal congruence between the two men, the mayor's accessibility). But he is not an unmixed blessing (his lack of formal controls over the bureaucracy, his tendency to overpromise, and the likely divergence of his goals from Dove's, given his broader agenda and constituency). Dove's personal assets should not be overlooked (his excellent contacts in the federal government and, presumably, in the state government, his professional credentials).

At this point, the discussion should shift to Dove's plan of action. In order to strengthen planning skills, students should be asked at some point--probably at this point--to structure their laundry list of suggested tasks according to priority and chronological sequence. Asking one student to lay out an entire sequence of steps can organize the discussion by giving the class a common target to shoot at. Attention should then turn to eliciting greater detail on the major components of Dove's plan of action (staffing up, constituency relations--especially with the city council and the minority businesses, information gathering, impacting the procurement process).

The staffing question (and "how to use volunteers" question) is a good introduction since it forces students to think about the tasks OSBA must perform, the allocation of those tasks among the limited number of staff positions available, and the type of people who would be good at doing those subtasks). A question about Dove's information needs helps students to understand more thoroughly the workings of the procurement system (e.g., the monopolization of information by buyers) and to think in more detail about how Dove can measure progress toward his own goals.

The greatest amount of time should be spent on the question of how Dove can actually get procurement officials to increase minority placements. Most students will probably begin with a dismal view of Dove's prospects, based in most cases on a somewhat superficial examination of the laws, procedures, and attitudes presented in the case. They should be required to look carefully at the procurement process in order to see its important points

of leverage and discretion. For example, they should see that the individual buyers exercise considerable discretion and control in the system, because of their control over specifications, personal notification of prospective bidders and bidding information. (Therefore, any strategy to increase purchases from minority firms must either change buyer attitudes or reduce their degree of control.) This point can be illustrated by looking closely at the sample bid specification in Exhibit 9. This should show students that even for so seemingly standard an item as garbage cans, buyers exercise a good deal of judgment in drawing up specifications and can exercise discretion in choosing the "low" bid (suppose, e.g., bidder A quotes a lower unit price than B, but a higher price escalation factor).

It is also important for students to see the exceptions to strict competitive bidding. The list of contract awards in Exhibit 11 reveals a large number of service contracts let on a non-competitive basis, and some others (e.g., the four diving services contracts let by the Harbor Department) that look suspiciously noncompetitive. Clearly, Dove needs to structure his operation to be able to unearth these potentially numerous exceptions to the competitive bidding model.

Finally, and perhaps most taxing for students, is to ask how Dove can influence the people who operate this decentralized, informal, and invisible system to change. Frontal assault (mayoral order) will presumably be rejected, but is worth raising. Legal change (amend the charter) seems remote at best. A more liberal legal interpretation of the charter would help, but only if the more liberal interpretation can be legitimized somehow (by the new city attorney? by council resolution?). The key to influencing buying behavior itself seems to be the purchasing agent. The purchasing agent needs more staff and better information. Perhaps Dove can help him get what he needs (loan him the CETA slot, use the mayor to help increase his budget) in return for some things that would help Dove (minority buyers, advance warning on non-competitive procurements, systematic collection of information about awards to minority businesses, better personal notification of prospective minority bidders).

Adrian Dove (B)

The (B) case was not intended for discussion in class. It was prepared to assist instructors to prepare for the case by telling them the things that Adrian Dove actually did. It can also be handed out to the students at the end of class for reading after class.

TEACHING NOTE

ANDY KELBICK

I. Purpose of the Case

1. To raise issues about how to organize and set goals for a new organizational unit within a large, complicated, and well-entrenched bureaucracy.

2. To explore ways in which such a unit might become influential, even without the benefit of direct line authority.

3. To think through the problem of giving purpose, direction, and structure to the work efforts of a new organizational unit.

II. Time Requirements

1. Outside Preparation: 3-4 hours
2. Classroom Discussion: 1 1/2-2 hours

III. Assignment Questions

1. What objectives might Andy Kelbick set for his new Program Unit? What objectives should he set? Why? How can he make the Program Unit influential?

2. How should he set out to achieve his objectives? How should he organize the Program Unit? When? Why? How should he "get his show on the road"?

3. How should Kelbick plan to manage his own time? To what should he give his personal attention?

4. What should he say, right now, to Kelly? Why?

5. Evaluate Kelbick's career at DoW. Has he become a "bureaucrat" too soon? Too late?

IV. Additional Classroom Questions and Discussion Topics

1. How does the social services delivery system in Delacut work? How effective does it seem to be? How does innovation take place? What does it take to "make something happen" in the field?

2. Assuming that Andy Kelbick wants his unit to have substantial

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influence on the field organization, how will it have to function? What will it have to accomplish?

3. What seem to be the key activities and issues, and who are the key people who have been assigned to the Program Unit? How should Kelbick deal with each one?

4. What activities and issues, if any, can Kelbick ignore?

5. How can Kelbick improve his understanding of the various people and parts of the Program Unit?

6. What approach should Kelbick take to the following people, and what kind of relationship should he try to establish with them: Starshak, Kelly, McKenna, Quinby, Sommerkamp?

V. Flow of the Class

Discussion of the Kelbick case might resonably take place in five stages devoted to:

- Understanding the situation that Andy Kelbick faces;

- Defining a set of objectives for the new Program Unit;

- Deciding how to organize the new unit so it can pursue its objective effectively;

- Developing an approach to getting the new unit working under conditions that will allow Kelbick to manage it, rather than simply preside over a collection of disparate, disjointed efforts; and

-Evaluating Kelbick's career decisions at DoW.

Clearly, Kelbick is in a very difficult position. He is young and relatively new in an organization that is filled with "oldtimers." His knowledge of many of the programs for which he has responsibility is superficial, at best. And there are a great many of these programs. Each has its own "technology," and several are politically explosive. The Program Unit has no administrative history, and the program function is viewed as a weak sister in BoSS. Other units have usurped functions it probably ought to be performing. Perhaps most important, everyone seems to view BoSS as reponsible for the delivery of social services in Delacut, but the bureau--and certainly not the Program Unit--has no authority to order changes in field operations. Indeed, there is no group within the Bureau of Field Operation that manages change and innovation in its activities.

There are other problems for Kelbick: he is already in conflict

with Kelly, one of the most influential people at BoSS. Assistant Commissioner Starshak gives every indication of being a difficult person for whom to work. Quinby and McKenna, who are crucial to introducing change in the field, appear to be overwhelmed by the day-to-day demands of the system. And, within the Program Unit, itself, levels of personal competency and energy vary widely, and some employees have a relatively narrow and fixed concept of what the program function is.

On the brighter side, there are some plusses. Kelbick does have an excellent background in two of the most difficult areas--CHINS and Foster Care. He apparently has Starshak's confidence and probably no great hostility on the part of anyone in the Program Unit. The personnel assigned to him possess a great deal of experience and technical expertise and, in some cases, managerial potential. It is possible that bringing all the program people together, and giving them the backing and supervision they have never had, can produce results that were impossible when they were scattered, organizationally and physically, throughout BoSS.

Students should have little trouble cataloguing the ingredients and implications of Kelbick's situation. (Some may suggest that he was foolish to take the job.) The next part of the discussion--deciding on objectives for the Program Unit--should produce a greater divergence of opinion. Potential "managerial" objectives for Kelbick can cover a broad spectrum. At one extreme, he might devote a great deal of his own and the unit's time and energy to dealing with one or two high priority programs or issues while letting the quiescent ones lie fallow. At the other extreme, he might try to develop an organizational structure and managerial approach that allows planned, controlled motion to take place in all program areas simultaneously. Discussing the issue of objectives in terms of organizational output should produce equally divergent views. Kelbick's unit could focus exclusively on the generation of policy--that is, statements of what should be, and how it should be done. Or, it could define a much more active role in which it is the "engine of change" in the social service delivery system, and its output is measured in terms of the innovations that take place in the field organization.

If Kelbick chooses the more active role for his unit, the choice will have strong implications for his own behavior and the behavior which he must elicit from those who work for him. They will, in effect, have to develop their skills as integrators--that is, people (without line authority) who make diverse (sometimes only remotely connected) organizational units carry out their individual parts of a complex project.[1] This means Kelbick and his staff will have to (1) develop

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[1] See Paul R. Lawrence and Jay W. Lorsch, "New Management Job: The Integrator," Harvard Business Review, November-December, 1967.

close ties with key people such as Kelly, Quinby, and McKenna and (ii) influence their behavior by a combination of being very helpful and, when necessary, applying organizational clout from Starshak or the deputy commissioner. And this, in turn means that people in the Program Unit will have to approach their jobs with a very flexible attitude--that is, a willingness to do whatever needs to be done to help the field organization be innovative. This may require performing tasks that are pedestrian and "out-of-title," but given that it is BoSS that cares about innovation in the field, and that the Bureau of Field Operations has no facility for self-examination or change, it is BoSS--especially the Program Unit--that will have to perform these tasks if change is to take place.

Although discussion on objectives can be used as a vehicle for developing the concept of integration, the class (and certainly individual students) may wish to settle on objectives that are quite different from that of integration. It is possible, too, that the students may wish to specify short-term and long-term objectives which may be quite different from one another.

At this point, the class can turn to the third major part of the discussion--how the Program Unit should be organized, how soon, and why. It is clear that the group is too large and too diverse for Kelbick to manage on a one-to-one basis indefinitely. At some point, the various activities will have to be grouped together and some intermediate level of supervision imposed. The case already suggests several approaches to grouping people and activities --by client group served, by whether the service is purchased or produced directly, by whether the activity is a single service or a collection of services directed toward a single client, or by the relative state of actual or impending crisis. Students should be encouraged to develop their own organizational structures completely and in detail, being sure to justify their recommendations not only on the basis of the tasks to be performed, but on the apparent propensities and skills of the individuals involved. They should be sure to decide what to do with Sommerkamp, Barr, and Fultz who have no program-related tasks. Attention should also be given to how quickly and how formally the organizational structure should be announced, given that Kelbick has only a sketchy understanding of individual competencies and may wish to keep his options open.

Kelbick, in fact, solved the organizational question as shown in Exhibit I to this teaching note. In essence, he grouped together (i) single services that were provided directly, (ii) single services that were purchased, (iii) programs that called on several different services on behalf of a particular client group, and (iv) programs of local office suppot. He excluded from the four

groups four other activities that did not fit easily into the categories (EAA Transfer, Policy, and the OCD Project), or that he wished to have reporting directly to him (WIN).

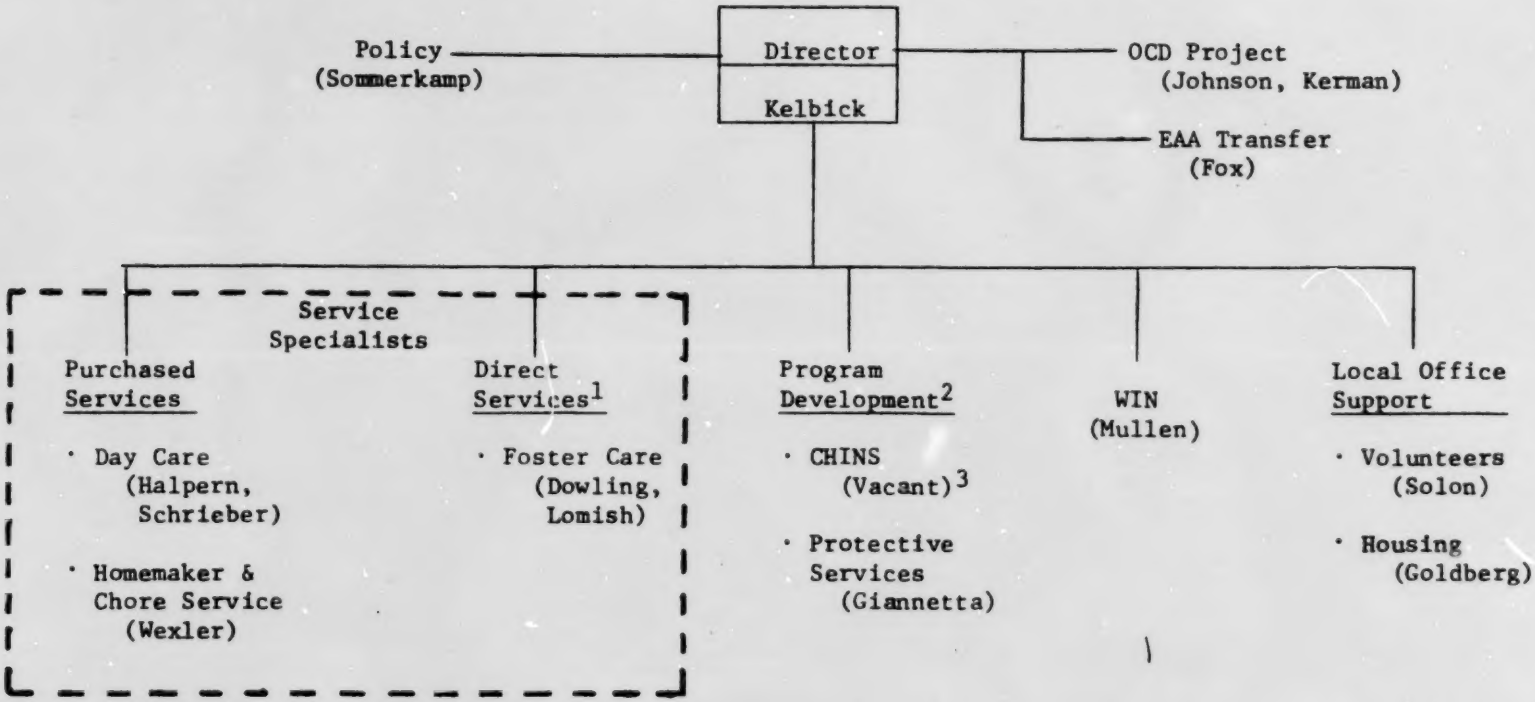
When several organizational possibilities have been discussed, the class can focus on the fourth major issue--organizing the unit's work and getting it started. The goal here is to lend some coherence to the unit's efforts, and to begin developing some sense that it is, in fact, a unit rather than a collection of individuals. Kelbick dealt with this issue by designating work groups corresponding to the groups on the organization chart, appointing a temporary head of each of these groups, and asking each one to develop a work plan that would identify the important issues in its area and lay out a plan of action and a schedule for dealing with those issues. These plans, he believed, would encourage a systematic approach to thinking about program issues, demonstrate that the Program Unit would set goals and expect to accomplish them, and provide a baseline along which he could measure progress. The work plans, he believed, would also provide him with quick insights into (i) the substance of those program areas with which he was relatively unfamiliar, (ii) the location of particular problems, and (iii) the competencies and style of his people.

If time permits, further discussion should focus on Kelbick's development of his external relations with, for example, Kelly, McKenna, Starshak, and Quinby. It is in this context that the issue of what to say to Kelly about the "stolen" office can be discussed. Finally, the fifth assignment question under III, above, can be used as a basis for discussing Kelbick's career to date. Has he helped or hindered himself by his various moves, especially the acceptance of his latest position?

Exhibit 1

ANDY KELBICK - TEACHING NOTE

Initial Organization of the BoSS Program Unit



[1]Group head, Lila Barr

[2]Group head, Diane Fultz

[3]Filled shortly by a new hire.

TEACHING NOTE

DEPARTMENT OF YOUTH SERVICES

I. Purpose of the Case

1. To examine the problems faced by a middle manager charged with consolidating and institutionalizing change, following a period of radical and disruptive reform.

2. To compare the organizational structures and management control systems suitable for an institution-based service delivery system with those necessary for a purchase-of-service system.

3. To help develop skills at setting priorities for dealing with a crisis situation brought on by systemic failure.

II. Time Requirements

1. Outside preparation:
   2-3 hours

2. Classroom discussion:
   1½-2½ hours

III. Assignment Questions

1. Why has the "system" broken down? Was it a necessary result of Miller's reform program?

2. What are the administrative needs of a system geared to purchase services from private providers? How do they differ from the administrative needs of an institution-based system? What are the key decisions and transactions and how can the Commissioner exercise control over them?

3. What are Willman's immediate objectives? What must he accomplish in the next three months? What trade-offs should he make with longer-range objectives?

4. In connection with the previous question, formulate a specific set of budgetary, fiscal, personnel, and contracting procedures for Willman to recommend to Leavey. How should DYS be organized or reorganized to accomplish these procedures smoothly?

This teaching note was prepared by Associate Professor Colin S. Diver of Boston University's Public Management Program. Funds for its development were provided by a grant from the National Training and Development Service.

IV. Additional Classroom Questions and Discussion Topics

1. What are the immediate crises facing DYS? What will happen if they are not solved?

2. Why are the existing procedures for contracting, hiring, and paying bills so complicated? What short-run improvements can Willman make or recommend? What long-range reforms should he push for?

3. What resources does Willman have available to assist him? How can he best organize and utilize those resources?

V. Flow of the Class

I would start with the first question listed in part III above. Asking students why the system fell apart and whether it was a necessary concomitant of Miller's reform introduces them to the details of the administrative processes. Some students will feel that Miller could or should have tried to work "within the system," but upon examination, will see the extraordinary obstacles: civil service tenure and appropriation-based job slots; funds budgeted by institution, with little freedom to move money around between programs; an institution-based administrative structure, with central fiscal and personnel oversight largely atrophied (ask why); very restrictive procedures for purchasing services or making grants to private providers; cumbersome payment procedures. It is also important, in order to understand the system, to ask: "Given all these obstacles, how could Miller have accomplished anything at all?" This helps bring out the immense importance of the federal funding (largely free of the foregoing restrictions), plus an important lesson: a public manager can (is able to) break most of the rules if he wants. What are the practical obstacles? What happens to you if you do break the rules? (If time permits, the morality of breaking the rules may be discussed, but this probably belongs at the end of class.)

At this point, most of the central administrative functions (budgeting, personnel, expenditure control, contracting review) should have been mentioned and discussed at least briefly. The instructor can now focus discussion on what to do about making these systems work better. It makes sense to ask an open-ended question, such as "What must Willman do first?", in order to get students to understand and establish priorities. Students should identify the most immediate crises: the threat of having services cut off by suppliers and the danger of provider bankruptcy. Other issues--poor quality control, the layoff issue, organizational chaos--can presumably wait, to the extent that they do not implicate the more immediate crises. Students will identify some obvious solutions to the short-run crises: seek a deficiency appropriation, obtain release of the suspended LEAA funds. The more difficult question is "How?" Both will require some sort of

assurances and probably tangible signs that the new team is putting the house in order. What signs could be given? Speeding up the contracting and payment processes are important, but probably less so in April than at the start of the fiscal year. By July 1, a better system should be in place. Possible ingredients of that system should be discussed: earlier starting date for contract negotiations; better central control and guidance (e.g., develop one or more model contract forms); try to convince A&F to provide concurrent review of contracts by the several reviewing units; ask Rate Setting Commission to approve a standard budget format and uniform policies on includable expenses and to approve a "preliminary" rate subject to later revision. Speeding up the payment process raises organizational as well as procedural questions: should DYS eliminate regional review or central review? Or are both essential?

The layoff question can be addressed briefly. Is it worth the effort and heartache to attempt a reduction in force? What sorts of jobs could at least some of the employees be retrained for? Evaluation of providers? Work for providers? Fiscal review? Pretty bleak.

Quality control and cost control of the contracting process are key longer-range issues. Ask for detail on the kinds of information DYS central needs to monitor the contracts. There will probably be a flood of suggestions. Temper that tendency by asking two questions: 1) how should the information be gathered (to assure timeliness, accuracy, and completeness); and 2) what will Willman or Leavey do with it once they get it (what decisions will really turn on it). Important issues here include: how should DYS measure program "quality?" Is detailed line-item budget data necessary or can DYS be satisfied with cruder input data (e.g., cost per hour of service)? How can DYS police providers to assure the accuracy of the information? What sanctions does DYS have to take against a poor performer? What should be the process within DYS for contracting, renewing contracts, terminating contracts? Should DYS eliminate "fixed price" contracts altogether, or do they have a purpose? These are probably the most important questions faced by Willman, and the toughest.

Organizational issues will probably come up during the discussion. The important questions concern what Willman should do with the accounting staff and the analytic staff. How should he organize them? Roughly, how many ought to be assigned to what tasks?

TEACHING NOTE

THE AGENCY FOR CHILD DEVELOPMENT

I. Purpose of the Case

1. To explore the problem of cutting back a major social service in response to mandatory budget reductions. To develop a specific plan of action--and an approach to its implementation--for effecting these cutbacks in New York City's day care operations.

2. To think through the issues involved in changing the administrative viewpoint of a major agency from uncritical advocacy, and nearly unbounded expansion of its services, to a policy of retrenchment and much tighter managerial control.

II. Time Requirements

Outside Preparation: 2-3 hours.

Classroom Discussion: 1½-2 hours.

III. Assignment Questions

1. What objectives should Lew Frankfort set for his efforts to meet ACD's budget target for fiscal year 1976-1977?

2. Identify the ways in which significant cost reductions can be accomplished. (Assume that case Appendix A is a representative sample of day care centers.)

3. If it becomes necessary to close centers, what criteria should guide the selection process? Which of the centers in Appendix A would you close first? Why?

4. Develop a plan for meeting the $116 million budget target. Be as specific as you can. How many eligible children will have to be denied day care?

5. How should Frankfort manage the implementation of your plan of action? What problems do you foresee? How would you deal with the "public relations" aspect of the implementation--especially with regard to the centers, the field offices, and the central office?

This teaching note was prepared by Professor John R. Russell of Boston University's Public Management Program. Funds for its development were provided by a grant from the National Training and Development Service.

6. How much leverage does Frankfort have at ACD? What management style should he adopt? What risks does he face?

IV. Additional Classroom Questions and Discussion Topics

1. What's it like at ACD? What is its "administrative history"? How do current problems demand changes in traditional attitudes at the agency? What problems do you foresee in bringing about these changes?

2. Why did New York City end up paying $60 million in tax levy funds for its day care operations in fiscal year 1973?

3. How can New York City maximize the number of day care slots without exceeding the tax levy allotment of $13.75 million? Is this the objective Frankfort should be seeking?

4. What is the significance of (i) the state's refusal to fund unlicensed centers, (ii) firm imposition of a $65 ceiling on costs per child per week, (iii) the state's adherence to an upper limit on eligibility of $11,000 in family income, (iv) imposition of an $82.5 million ceiling on ACD's share of Title XX funds, (v) the state's suggestion that day care centers accept enrollments up to 125% or 130% of capacity, and (vi) the direct lease program?

5. To what extent should the field organization be involved in the process of budget cutting? Should the regions be given quotas--either in terms of dollars to be saved or centers to be closed--then left relatively free to chose how they will meet these targets and/or which centers will be closed?

V. Flow of the Class

Good classroom discussion of this case requires that each student understand the financial workings of the day care "system," and that he or she has worked out, in advance and in considerable detail, a plan of action for meeting the budget target of $116 million. This accounts for the relatively large amount of outside preparation time recommended in II, above, and suggests that the case is a good one to assign as a written paper. It also suggests that an appropriate way to begin the discussion is by developing a common understanding of the reimbursement system and the reason why the city has ended up paying $60 million in tax levy funds for its day care programs. It is important, here, that the students see the ramifications of differing eligibility standards, limits on costs per child per week, licensing, and staffing centers in excess of requirements. Of more importance is recognition of the fact that New York's enormous commitment of its own funds has been the product of (i) a process in which the city pays based on a center's capacity and is reimbursed based on actual attendance,

(ii) the imposition of a ceiling on the agency's share of Title XX funds, and (iii) a city policy and ACD managerial viewpoint that has stressed expanding the number of centers and continuing to support existing centers whether they met relevant standards or not.

Once the class has an understanding of the system, an exploration can begin of the various ways by which its costs could be reduced. This discussion should include consideration of relaxing requirements for the quality and quantity of center staffing; insisting that centers not staff in excess of requirements; seeking additional food subsidies from the U.S. Department of Agriculture; cutting back on the size of centers' non-personnel budget items; tighter control over the collection of fees; paying on the basis of attendance; and closing centers. Some estimate should be made of the savings that could accure from each of these measures (short of closing centers) and for this purpose, the data in the case--especially, the descriptions of the twelve centers in Appendix A--should be considered representative of the entire day care system. Once these estimates have been made, it is possible to assess how many centers still will need to be closed to achieve the budget target.

It is apparent that the budget Frankfort has been given ($116 million) and the tax levy allotment ($13.75 million) can be met only if all of ACD's costs receive full reimbursement under Title XX. (If $6 million is realized from WIN and cash grants, $110 million must come from other sources. If ACD's tax levy of $13.75 million is leveraged to the fullest, using Title XX, it will just produce $110 million--$13.75/.125.) To avoid a tax levy deficit, therefore, ACD must spend only $110 million of which $110 million is reimbursable. If the budget bureau will accept a tax levy deficit of $8 million--that is, a total tax levy of $21.75 million--then $9.14 million of the $116 million can be nonreimbursable under Title XX. [Total tax levy = $13.75 + $8 = $21.75 = $9.14 + .125 (110 - 9.14).]

If one assumes that all of the cuts that took ACD's total fiscal year budget of $155 million (Exhibit 1) to an annualized rate of $150 million were made in group day care, then its current annualized budget, in abbreviated form, would be as follows:

Group day care	$ 105.6 million
Central costs	28.5
Other ACD components	16.9
Sub-total	$ 151.0 million
Less: Fees due	1.0
Total	$ 150.0 million

To reduce this budget to $116, after saving $3 million in other ACD components, will require expenditure reductions in group day care costs and central costs of $31 million. The total number of day care slots remaining after the cut will be determined by (i) how much of the cut is sustained by reducing ACD staff, (ii) which centers are defunded, and (iii) the cost per child in the centers that remain open.

The class should now be prepared to develop a plan of action for Lew Frankfort that will reduce ACD's budget to the required $116 million. There should be plenty of room for discussion and various viewpoints on the following:

- To what extent should ACD try to maintain the maximum number of slots possible?

- For what reasons should it be willing to depart from that goal?

- Roughly how many centers should be closed? Which of those described in Appendix A are prime candidates for closing? Which ones should be kept open using the limited amount of city tax levy funding that is available?

- What other measures, short of closing, should be imposed on the centers?

In the interest of clarity, it may be preferable to have one or two students present plans of action in their entirety, rather than try to construct a common approach through open discussion. After the presentations are made, the rest of the class can compare and evaluate the different approaches. One of the plans can be selected as the foundation on which to build the next step of the discussion--that is, how the plan should be implemented. This can begin with a look at ACD, itself. What are its managerial strengths and weaknesses, and how well equipped is it to undertake such a stark reversal of both the role it has played in the past and the relatively lax and open way that it has played that role? There is substantial evidence in the case regarding the rather loose control that ACD has maintained over the centers, the scarcity of managerially oriented people at the top levels of the organization, and the difficulty that these managers seem to have in working together in an organized way.

In light of these conditions, and the nature of the budget reduction task, the class should discuss the extent to which the central office should make decisions regarding the details of the implementation. Should it, for example, specify the centers that are to be closed--or delegate that decision to the field offices, after providing them with quotas (in terms either of the number of centers to be closed or the budget reductions to be met) and criteria on which to base their decisions? If the central office is to become deeply involved in the details, how should Frankfort proceed? There are, after

all, almost four hundred centers to be evaluated. Should he work with a few staff members, for example, and develop a list of centers based on some very arbitrary criterion (say, utilization) and send it to the field offices for comment? Or, should he form a central office task force that will consider each center individually and carefully before deciding what action to take on it? If most of the decision-making is to be delegated to the field offices, how can they be prepared to do their part effectively? How should Frankfort communicate with them, and what should he say? What aspects of the process by which the first twenty-eight centers were closed should he be sure to avoid, and how can he do it?

This should bring the class to the final two topics for discussion. First is the general issue of the changes that will have to take place in ACD if it is to be effective at managing a much more tightly constrained system. In the past, with virtually unlimited funds available, the policy has been to spend what was necessary to open plenty of centers and keep them open. Now, to achieve the most and best service with fewer funds, ACD must impose tight control and difficult restrictions on the same people for whom they have been unequivocal advocates for years. They are going to have to force the efficient use of limited funds, and this will involve some very hard decisions and some very different approaches to their clients. What are the kinds of things that will help them do this, given that much of the ACD staff is tenured and is likely to be around for a long time? What kind of training programs, what kind of management controls, what kind of memos, what kind of press releases might make them understand that achievement of the same goals will require very different behavior patterns on their part?

This raises the final issue for discussion--namely, Frankfort himself. Clearly, he is in an awkward position; equal to Hall, but not the commissioner. The case does not give a great deal of information on the people in ACD, but it is possible to discuss the various approaches that Frankfort might take to making his presence felt and, in particular, what leverage he has over the organization, in general, and Commissioner Hall, specifically. Students should be encouraged to "read between the lines" in light of the fact that (i) Hall has not met her budget reduction target for the year, and (ii) Frankfort was brought in as her co-equal, not as her deputy, as the task force report recommended. It seems clear that he is supposed to take firm hold of ACD, despite his lack of organizational status. How can he do this? Which of ACD's staff are critical to him? What does he need in the way of help from Administrator Smith?

TEACHING NOTE

SUMMERTHING (A), (B), and (C)

I. Purpose of the Cases

1. To explore the problems faced by a middle manager who must, from the ground up, develop a plan and an organization to carry out a complex, creative, tightly time-constrained project.

2. To examine and evaluate an organization and management system whose characteristics have been carefully shaped, by an entrepreneurial middle manager, to fit her own personal strengths and style.

3. To demonstrate the importance of and improve the student's skill in tailoring management systems and approaches to the needs of the tasks and the individual characteristics of the managers.

II. Time Requirements

	Outside Preparation	Classroom Discussion
Summerthing (A)	2½-3½ hours	1½-2½ hours
Summerthing (B)	1-2 hours	1 hour
Summerthing (C)	None	½ hour

III. Assignment Questions

Summerthing (A)

1. What are the important elements of Kane's managerial task? Consider: Who is the client? Who are the other key actors? What criteria should be used to judge the success of the undertaking? Are there important environmental constraints that must be faced? What? What resources are available? Are they adequate?

2. In light of your answers to the questions posed in (1), above, plan the project for Kane. Consider such matters as funding, budgeting, programming, organizing, staffing, and controlling in your plan.

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3. What must Kane do especially well if this undertaking is to be successful? What should she do first?

Summerthing (B)

1. Describe and evaluate Kane's management system.

2. Could the Carter Playground incident have been avoided? How? What should Kane do now?

3. If you, personally, were managing this undertaking, how would your management system differ from Kane's?

IV. Additional Classroom Questions and Discussion Topics

Summerthing (A)

1. What are the important issues involved in organizing the neighborhoods, fund raising, public relations, programming?

2. How will the various actors involved in this undertaking define its success or failure?

3. What are the major unresolved uncertainties facing Kane?

4. Are you satisfied with the selection of Kane to manage the arts festival? Would a different kind of person have been better? What kind of person?

Summerthing (B)

1. How is Kane maintaining control over her organization and its tasks? Is it enough control?

2. Is she making good use of her own time? How could she improve the allocation of her own energies and skills?

3. Would the use of more formal approaches to managing the festival--for example, documentation of various kinds or the use of networking techniques--have improved the organization's performance?

4. Is the way in which responsibility is shared between the central office and the neighborhoods commensurate with the festival's goals?

Summerthing (C)

1. Can Summerthing be repeated next year without Kane?

2. Now that the summer is over, what should be done, if anything, to carry Summerthing's personnel, organization, and momentum through the winter to next year?

V. Flow of the Classes

Summerthing (A)

It makes sense to begin the class on Summerthing (A) with a discussion of the important elements of the task and the demands that will be placed on management if the undertaking is to be successful. While there is plenty of room for the class to disagree, all should see that it is a highly complex undertaking, involving many very diverse actors with values, needs, and agendas that may be in conflict. The mayor, the business community, the mosaic of neighborhoods, the artists and teachers, the foundations, and others are all important to the festival's outcome. Adding to management's problems are (i) the need to balance centralized control of this diversity--if the undertaking is to succeed--with the mayor's demand that it be truly a "neighborhood" endeavor, (ii) great uncertainty regarding the availability of resources (both financial and human), the cooperation of the neighborhoods, and the likely response of the audiences, and (iii) the very short time available before the festival must be launched. The only bright spot in this difficult picture may be the fact that many and diverse as the actors are, they will be carrying out their part of the festival relatively independently of the others, thus relieving central management of the responsibility of integrating those activities closely.

Viewed in total, these task elements suggest that Kane--together with whatever organization and management procedures she develops--must be very good, indeed, at (i) developing and maintaining commitment to the endeavor on the part of the various resource groups, (ii) keeping track of an incredible amount of detail regarding the logistics of the festival, and (iii) reacting quickly when uncertainties are resolved either favorably or unfavorably.

Once the class has played out its discussion of the nature of the task and the demands that it places on Kane, attention can turn to student recommendations: What project plan should Kane adopt, what organization should she forge, and how should she manage that organization? This can be a wide open discussion--one that becomes difficult to control. One solution is to have two students lay out their entire answers to question (2) in the assignment (see above) and then have the rest of the class compare and evaluate the two approaches. Depending upon the time available, these plans may be pushed to almost any level of detail by the instructor. For example, the following issues are all relevant to a management plan:

- Neighborhood organization: Who should be the contact point? What should be the nature of neighborhood involvement? Should the neighborhoods have separate budgets? If so, how should these budgets be set?

- Funding: Which sources should be tapped? For how much? Who should do it? Should the effort be started early or later--after the program has been planned?

- Public Relations: Should Kane use advertising or public relations? Should she add someone to her staff to do the work? Hire a consultant? Use volunteer help? Let the neighborhoods do their own?

- Programming: How should decision making be divided between the neighborhoods and the central office? How much emphasis should be given to popular and classical entertainment? To local and national performers? How much effort should go into tailoring programs to individual neighborhoods?

Once positions on these issues have been developed, there is an equally rich set of questions concerning the size and composition of the central staff needed, the kind of people that need to be hired, and the way in which these new people will complement those already involved in the project. Finally, there is the question of what formal procedures Kane should adopt and how she should use her own time and talents in the next several months.

If time permits, it is useful to explore with the students whether or not they approve of the selection of Kane to head the festival, how they think she will actually behave as its manager, and whether or not they think she will be successful.

Summerthing (B) and (C)

This class can focus almost entirely on understanding the nature of Kane's management approach, assessing its effectiveness, making suggestions for its improvement, and deciding whether things are getting done because of Kane's management skill or inspite of her lack of it. The class will see easily that her approach is informal, very personal (requiring her constant attention, energy, and direct involvement in the work), and that it would probably fail immediately without her. This is not to suggest that her management style is haphazard: Particular people with particular skills are systematically assigned to particular tasks: priorities are established, schedules are set, and a "system" is in place that monitors progress and accomplishments both in the central office and the neighborhoods. The organization has an unusual mix of suitable talent, is remarkably dedicated to its work, and is being orchestrated carefully by Kane. She is, it appears, a stunning example of a public sector entrepreneur. Still, her management system is sufficiently fragile so that some students will probably be uncomfortable with it. And discussion of the Carter Playground incident is a good way to draw out conclusions as to whether it is symptomatic of worse things to come because of Kane's management or is a trivial occurence--the kind that are

inevitable in a project of this scope. The students should make recommendations for action in the wake of the playground incident. Should the festival be abandoned; its programs changed? Should there be public statements, private reprimands, personnel replacements? If you were the mayor, would you replace Kane?

At this point, the (C) case may be passed out and read in class. There is little to discuss directly about the case, except that it rounds out the story of an incredibly successful venture. Together with the (B) case, however, it leaves little doubt that that success was largely attributable to Kane's unique combination of commitment, contacts, and drive. If, as one of the discussion questions suggests, Kane is unable to or unwilling to repeat the undertaking a second time, how is she to be replaced? It seems unlikely that another person with the same characteristics can be found, and students can be pressed to decide which of her attributes were most important and should be duplicated at all costs in her successor. Discussion can also be on how Summerthing can be institutionalized. Should it be dissolved and started up again next spring with new people or should some kind of permanent office be established and staffed?

TEACHING NOTE

CINCINNATI NEIGHBORHOOD CLINICS (A), (B), and (C)

I. Purpose of the Cases

1. To assess conditions in a network of city-managed, neighborhood health clinics, and to develop recommendations for improving the services they deliver.

2. To develop a personal strategy for the middle manager who is responsible for administration of the clinics, with particular emphasis on the issue of "relating to the boss."

3. To examine the problem of balancing demands for local community control of the neighborhood clinics with city government's need to discharge its managerial responsibilities and the doctors' need to maintain professional standards.

II. Time Requirements

	Outside Preparation	Classroom Discussion
Cincinnati Neighborhood Clinics (A)	1-2 hours	1-2 hours
Cincinnati Neighborhood Clinics (B)	0-3/4 hours	½ hour
Cincinnati Neighborhood Clinics (C)	None	¼-½ hour

III. Assignment Questions

Cincinnati Neighborhood Clinics (A)

Assume that Arnie Leff cannot be satisfied in his job unless he sees clearly identifiable improvements in the services delivered by the neighborhood clinic system:

1. What systemic changes should he endorse and in what order should he envision their accomplishment? How long should he expect the various steps to take? Be as specific as you can.

2. How should he view his own role? What should his strategy be for Arnie Leff? Where should he "position" himself on the issues? In the organization and its environment? What conflicts and obstacles should he anticipate? What relationships should he try to establish? What risks should he accept? Under what circumstances should he quit?

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Cincinnati Neighborhood Clinics (B)

1. Evaluate the goals that Leff has set for improving the clinics.

2. Evaluate Leff's actions so far. Is he on firm ground? How do you think Elsea views Leff at this point?

3. What response should Leff make to the WHEHC's proposals? Which ones can he endorse without reducing his own managerial control of the clinics to an unacceptable level? Can he answer these questions without knowing who, specifically, the group practice will be?

4. Develop a counterproposal to present to WHEHC. Which parts of your proposal are critical? Merely, desirable? Included with the expectation that they will be traded off?

IV. Additional Classroom Questions and Discussion Topics

Cincinnati Neighborhood Clinics (A)

1. How will the legacy of Leff's predecessor influence what he can do, how he can do it, and how fast he can proceed?

2. How important will it be for Leff to build a staff of his own? How large should it be? What kind of people should be on it?

3. Who, specifically, are likely to be Leff's most influential and effective allies? How should he plan to develop and use his relationships with these people or groups?

4. In what ways is Elsea likely to be an impediment or a help to Leff? Should Leff set out to be supportive of Elsea or to become his adversary?

5. Leff says that the communities are "gonna need a lot of help." What kind of help? How can he provide it?

6. Where should the first consolidated clinic be located? Why?

Cincinnati Neighborhood Clinics (B)

1. Should Leff have set out to show Elsea "that he didn't know what he was doing"?

2. At what point, and over what issues, in his negotiations with the WHEHC, should Leff seriously consider moving the consolidated clinic to another location?

3. How can admitting privileges at local hospitals be obtained for clinic doctors?

Cincinnati Neighborhood Clinics (C)

1. Is the final agreement between the city, the WHEHC, and the doctors' group practice satisfactory? What problems do you foresee? Will Leff be able to handle them?

2. Has Leff been fair to Elsea?

V. Flow of the Classes

Cincinnati Neighborhood Clinics (A)

The (A) case is by far the most important of the three and should be the one most carefully prepared and discussed. Its analysis and the flow of classroom discussion can be divided roughly into three interdependent parts. As the assignment questions suggest, the first part focusses on the identification of problems in the clinic system and an assessment of which ones present key obstacles to the delivery of effective medical services. Most of the problems are readily identifiable from the case text; others--such as the apparent mismatch between the allocation of medical resources and the location of demand for them--require examination of case exhibits.

Once the class has command of the problems and a sense of what it would like to see happen to correct them, its attention can be turned to the second major part of the discussion--developing a personal strategy for Leff, who must be the focal point for accomplishing the needed improvements. This will involve assessing the personal (Leff's own strengths and weaknesses), political (viewpoints, and potential influence of the Board of Health, the City Council, the mayor, Elsea, the medical community, the neighborhoods, Peoples Health Movement, MARCC, and so forth), and financial (city budget, federal grants, and third-party payment) resources that Leff has at his disposal. This assessment should include recommendations as to how these resources should be marshalled and how Leff's sense of what he wants to do may have to be modified in light of a realistic analysis of what he can do and whose help he will need to do it.

This second part of the discussion should lead very naturally to the third--consideration of the relationship that Leff should try to build with his boss, Commissioner Elsea. Should his personal job strategy seek to (i) bolster a weak boss, (ii) bypass him in the hopes of building a separate reputation, (iii) undermine Elsea, perhaps in hopes of replacing him as commissioner, or (iv) take some other tack? It is an intriguing question, somewhat different from the kind students are used to dealing with and sufficiently Machiavellian to catch and hold their interest. A good wrap-up question is to ask what circumstances should lead Leff to resign.

(Excerpts from two student examination papers on Cincinnati Neighborhood Clinics (A) have been included at the end of the teaching note.)

Cincinnati Neighborhood Clinics (B) and (C)

In combination, these two short cases give a sense of "what happened next" and also introduce an additional topic of importance to Leff--that is, the division of managerial authority over the clinics between the city, the community, and the doctors' group practice. Both cases may be read in class and discussed immediately, although the (B) case is of sufficient length to warrant a short, outside preparation. Both cases set forth Leff's "answers" to issues raised in predecessor cases, and discussion can be opened by asking the students for their evaluation of what's been done given their previous conclusions regarding what ought to be done. In addition, the (B) case raises--in the context of a detailed proposal from the Walnut Hills-Evanston Health Committee (WHEHC)--the question of local control of the clinics and how much of it Leff can relinquish without jeopardizing the quality of medical services or abdicating his responsibility to the Department of Health and the citizens of Cincinnati.

The most reasonable approach to structuring the discussion of these issues is simply to follow the sequence of questions listed in Parts III and IV of the teaching note.

VI. Additional Information

Following are excerpts from two student examination papers written on Cincinnati Neighborhood Clinics (A).

Excerpts from Student Paper #1

The Cincinnati health clinic network can and should make a major leap forward during Leff's tenure as Assistant Commissioner. This 12-clinic and pilot and demonstration project system has expanded rapidly since 1965 under pressure from citizen advocates and local officials. While this expansion has been responsive to increased community interest in health care services for the poor and near-poor and to some external funding opportunities, it has been unplanned and unmanaged. There is little evidence of a departmental strategy which recognizes that this is a critical juncture in the history of the system and that capitalizes on some of the unique resources available, at this time, for changes that will improve and extend the health services offered while putting the system as a whole on a more solid base of support.

The problems and opportunities in Leff's situation suggest the need and potentials for change, as well as very real constraints. His own diagnoses of the system (on page seven of the case) are a good catalogue of operating problems and constraints on the quality of care. However, more fundamental problems exist. The first is

the plateauing of the city financial commitment to the system, reflected by the interest of some of the Board members (and to a limited extent, Elsea) in cost control and financial management. What is implied is that the system cannot continue to expand without the location and securing of new resources. A second fundamental problem is reflected in the issue of community control: dissatisfaction with the quality of care is becoming intertwined with debate about the administration of the system. Elsea appears to be on a road to stalemate with his Board around this administrative consolidation vs. community control issue, one which could jeopardize the "coalition for change" that it is now possible to assemble on the Board and in the community at large. If this momentum is lost--if the coalition disintegrates--the possibility of a much strengthened, permanently established neighborhood health care delivery system may be lost for the decade, at least.

Because he is a middle manager, Leff has a boss. Elsea's history, goals, and current priorities bear some thought by Leff. Somewhat unclear about why he was hired, Leff may wish to get a sense of his mandate, to the extent that one is defined by Elsea. One method to do so might be to have some relatively informal sessions with "the boss" about how he sees the department and what he is attempting to accomplish. Leff asks some questions, and does some listening. The important things he wants to know is where Elsea feels territorial--what projects or programs he, Leff, should be wary of tackling (he may guess that the Pilot City or Maternal and Infant Care programs are such an effort, but will want to check). More important, he wants to get a sense of the convergence of their interests--e.g., does Elsea's interest in analysis suggest that he will be willing to locate resources in another division of the department (e.g., Planning and Evaluation) to help Leff on a special project? Leff should establish in his own mind how much freedom he has, what sort of resources/constraints Elsea will offer or impose.

He can guess that Elsea may want Leff's "community doc" reputation as a buffer in the community control bargaining (a Free Clinic type to deal with other Free Clinic types) and that he may well be surprised to find Leff as an ally on management/control issues. Leff should be somewhat careful about assuming that Elsea will be either irrelevant or indifferent, and he may wish to be fairly aggressive about locating areas of mutual concern and interest.

But Leff can afford to have some vision in this job. In one sense, the problems are not too complex--they allow one to visualize a system of the future, where the treatment environment is humane and comfortable; where a wide variety of services are easily available; and where individuals and families are known and supported over time by this neighborhood resource. While this vision need not--should not--be specific about the street address and service mix of each clinic, it should identify the rehousing of clinics

and/or upgrading of the physical facilities as a long-term goal. This will probably take local bond money or federal grants or some combination of these; and it will require sustained, and possibly expanded, community/political support for the system. This is an effort towards which he can build. The long-term goals should also include some guarantees on the quality of service being offered. The staff should be good and have a commitment to this type of care. To reach this goal, the reputation and professional's perception of the network must change. Being part of it must become an opportunity, not a period of social service for the beginners or a dead-end for those who can't make it in the establishment medical world.

Finally, in this vision of the system's future, there should be a solid base of financial support. While this is an end point, it should also be a starting point for Leff: The single most striking fact emerging from the data is the $275 in clinic fees collected so far. Something strange is going on in the clinics--services are being provided absolutely free! Lotspeich is on the right tract to locating an issue that can draw the many interests and philosophies together--almost everyone can agree that there should be some form of reimbursement from Medicaid for the services provided by the City. Leff should immediately get a handle on the options available to the Department as set forth in Lotspeich's letter. This letter suggests that the clinics are eligible for reimbursement, but at a low billing rate; held at this low level because of political forces--both bureaucratic and public. If this understanding is correct, Leff could adopt, as his first project, beginning to bill the state for reimbursement for the Medicaid eligible. Leff should do the design of this strategy himself, drawing assistance from Berger or Lotspeich, and/or from any staff resources he can secure from other sections of the department. It should be presented to Mann first, and a strategy with the state, which employs the Board's contacts and interests should be worked out. At the same time that a new fee schedule is worked out, a formula which returns some portion of the collections to the clinic which bills for it should be devised. This bonus will function as an incentive for the clinic to be energetic about billing.

The consolidation problem is both a more immediate and more troublesome one for Leff to deal with. He should be cautious in his approach to any system-wide plan (and he should anticipate irritation from Elsea, who appears to be committed to this direction, if not to a specific plan).

Leff should carefully examine what other goals can be accomplished through one consolidation; and then adopt the implementation of the funded consolidation himself. A rationale for such a move might be two-fold. It would incorporate substantial community participation (not <u>control</u>) which Leff's experience suggests he may not be able to handle; and it can also incorporate some innovations of other sorts. In particular, a pilot physicians' corporation could be started around this new facility, the administrative

director's role upgraded and modified to include more on-going interaction with both a more active community body and the medical staff. This consolidation can be a "pilot" for innovations that may be replicated system wide. However, it should not become Elsea's captive and its potential as an agent for systemic change of the sort Leff is concerned with diluted or lost. What the consolidation offers is a chance to restructure the resources around one clinic, to upgrade a facility significantly, and to involve the community and Board in new ways. Leff might suggest a Board Committee which would include Sister Monica, Peggy Pauly, and perhaps one other member, like Pearl or Gibbs--a populist whose vote may be needed--to oversee this consolidation. This, in turn, would weaken Elsea's autonomy and co-opt his plan for broader purposes.

Obviously, Leff can anticipate some problems with Elsea on this. My instinct is that Leff should make plain to Elsea their essential agreement about community control, while emphasizing the need to involve the Board and community in a project, to respond to the priority community group requests; and to argue for the potential to develop new revenue sources through this clinic. He should not appear to hesitate in endorsing the idea of this first consolidation (while avoiding endorsing a system-wide plan), and he should begin to talk to the Board about the potential of this clinic for better quality service and more responsiveness to the community. A community advisory board should be put together (perhaps with nominees from the neighborhood groups in the areas to be joined), and it should have a clear and specific mandate in the site selection and physical design process. Its role can be substantial, without being controlling, so long as the administrative control (project management) responsibility is clearly in the assistant commissioner's hands, and there is evidence of responsiveness to their input.

The area/clinics which should be reviewed for the consolidation are those in the highest need neighborhoods: Price Hill, Drew Shoemaker (now the busiest, by far), Mt. Auburn, Pilot City, Burnet Melish, and Walnut-Evanston). Depending on what the new East End Clinic plans are, on a closer assessment of the physical problems at the clinics mentioned above, and a review of patient access consolidation, two or more clinics serving contiguous areas can be the candidates for consolidation.

Of course, he will have to pay attention to building his own set of resources--particularly to staff aid. There are a number of approaches to this problem; depending on his relationship with Elsea, borrowing from within; attracting grants (and, therefore, some administrative overhead); spotting a good administrative director or medical service director and putting him/her to work. If he is careful and thoughtful, if he pays attention to the good folks he has on the Board, and if he projects enthusiasm, concern, professional commitment, he may be able to take the small steps

needed toward the much larger goals he has identified and I have discussed.

Excerpts from Student Paper #2

Arnie Leff's idea of clearly improved clinic services includes: better physician quality, more range of medical services offered, improved convenience of client access through different operating hours and an appointment system, continuity of physician care, and better looking facilities.

To get higher grade doctors, the Cincinnati Health Department (CHD) has to pay them more, provide them better support staff, take them off the circuit and put them in a collegial setting, secure them admitting privileges at a local hospital, and give their duties more professional range and variety.

To make these doctors' skills useful to the underserved medically in the city's poor neighborhoods, the CHD will have to have its clinics open long enough hours, on Saturday mornings, and weekday evenings, so that the working poor can use them. An appointment system is required so that the clients don't sit sadly grouped, waiting for hours in a bleak room. Layout should be redone for patient privacy. Walls should be painted, partitions thrown up. To have medical care to the poor register as much as possible, some continuity in the physician seen should be instituted. With specialists working as little as six or fewer hours a week, spread across several clinics, clients must be receiving medical attention from whoever is around, with little long-term guidance.

In rectifying the clinics' service problems, or ameliorating them, Leff must be sure to honor the central advantage of neighborhood medicine, which is improved access. Consolidation, promoted by Elsea, has advantages, but ultimately consolidation would violate the community spirit in the city's hilly little urban enclaves.

Systemic changes should begin with more efficient scheduling of the doctors in each specialty into the clinics. Within the Dental service, patient visits/physician session ranged from 7.0 at Muhlberg to 3.4 at Drew General; Medical ranged from 3.4 at Walnut to 11.9 at Millvale; Pediatrics from 7.5 at Winton to 13.9 at Drew. There is no explanation of the range in capacity, over time, in providing the same service. If each specialty staffed its clinic sessions to operate at the best performance rate observed in any of the clinics, then Dental would run 25.68 sessions, General Medicine, 32.6 sessions; VD, seven sessions; Dermatology, 11.3 sessions; OB, 28 sessions; and Pediatrics, 62 sessions. The total sessions, with the increased productivity brought on by better matching of doctors to demand at each clinic would be 138 sessions, instead of the 176 sessions/week now operated. If each doctor gets around $75/session, the potential savings from 38 fewer sessions per week are about $2,850/week or $148,200/year.

That kind of savings should be used to pay physicians more per session, and take the sting out of having to see more patients. It should also attract better doctors. The $2,850 a week divided by 150 sessions allow the CHD to pay up to $20 more per session. Any leftover funds could be used to hire more and better nursing and paraprofessional support for the doctors in the clinics.

The second systemic change Leff should go for is increased collection of fees for clinic visits. Although the CHD is eligible for $5 a visit from Medicaid on eligible patients, the city has made no attempt to collect it. Elsea claims billing personnel would be too expensive. If even half the 80,000 visits were reimbursable, the CHD would collect $200,000 a year extra, a needed offset to the 15 percent overall decrease in the department's fees and funds for 1972. This step should be taken immediately.

Leff should push for consolidation of certain clinics which appear to see so few patients a year that the fixed cost per patient visit is exhorbitant. If each clinic has a full non-medical staff (a director and clerical and custodial help), salaries, alone, probably approach $25,000. At Winton Hills, this amounts to $16 per patient visit. If the maximum Medicaid will reimburse is $13/visit, the small clinics appear to be economically unsound and should be consolidated with others.

Assuming that consolidation would save at least four administrators, four custodians, three secretaries, two nurses, and rent, the change might save the city over $130,000 per year.

Finally, Leff should push for increased community control in the eight consolidated clinics. It is likely that the only way the Board and the PHM will buy withdrawal of services from some neighborhoods is if they are offered greater control of what is left of the new system. Furthermore, it is the power of the PHM and the community health movement that can secure for the system a crucial change necessary to ensure upgraded physician participation. The PHM must pressure the county hospital to allow clinic doctors the admitting privileges that will give them professional prestige and access to their patients through all medical phases, and that will coax the best ones into community medicine.

TEACHING NOTE

DOVER MUNICIPAL HOSPITAL

I. Purpose of the Case

1. To examine the special problems of a middle manager responsible for the activities of highly skilled professionals.

2. To provide practice in the design of management control systems as a tool of the middle manager.

II. Time Requirements

1. Outside Preparation: 3/4-1 hour
2. Classroom Discussion: 1/2-3/4 hours

III. Assignment Questions

1. What is Chuck Graham's job? What is the extent, limit, and nature of his authority? How is it determined? Can he manage effectively without "practicing medicine"? How?

2. Should he let the biochemistry lab do the Free T-4 test? Why? What will the repercussions be?

3. How should Graham deal with the issue of tests being sent to outside laboratories?

4. Redesign the present control system for test requisitioning in a way that will accomplish the objectives outlined in your answer to question #3, above. Be specific and detailed. What useful information can be gleaned from your system? How should this information be collated and used?

IV. Additional Classroom Questions and Discussion Topics

1. What's it like at Dover Municipal Hospital? Why do patients go elsewhere if they can? Why does Graham say that professional services determine whether or not DMH makes money?

2. What criteria should Graham use to decide if he is doing his job well? What criteria will Breen use? What is the difference between being successful as an assistant administrator and leaving with a bleeding ulcer?

This teaching note was prepared by Professor John R. Russell of Boston University's Public Management Program. Funds for its development were provided by a grant from the National Training and Development Service.

3. To what extent is the doctors' professionalism a hindrance to Graham? A help? How can he make use of this professionalism?

4. What is your opinion of the various "arrangements" that DMH physicians and lab chiefs have? To what extent should Graham try to interfere with these arrangements?

5. What management style should Graham adopt with each of the five lab chiefs? How tough should he get with hematology?

6. What do you think of his handling of the test list issue?

7. How should he deal with the question of getting outside labs under contract?

V. Flow of the Class

Discussion of the Dover Municipal Hospital case can be structured around two sets of issues--one quite general, the other very specific The first set of issues concerns the problem of being an assistant director in an environment like the DMH (which is strapped for funds, delivers care that is perceived as second rate, and commands only partial commitment from its staff) and, in particular, of being a "layman" responsible for overseeing the activities of medical professionals. The discussion can center on the various questions--set forth in III and IV, above--that ask about conditions at DMH, what Graham's job is, by what criteria he will be judged, how much authority he has, and from what source(s) that authority derives. Points to be made during the discussion include:

- Because of the population it serves, the source of its funds, and the arrangements it has with its staff, getting the most and best patient care for a limited budget is both more essential and more difficult for DMH than for most hospitals.

- Because DMH cannot pay its physicians and lab chiefs at the going rate, some compromise with their "other interests" will always be necessary, and tension between these interests and the demands for better patient care will continue. Graham might well conclude that his job is to manage that tension--that is, to maintain his efforts on behalf of more and better patient care at a level that produces complaints but not resignations.

- Breen is absolutely critical to Graham and appears to represent a unique opportunity for asserting the "administrative point of view" at DMH. Graham may

wish to consider how long he wishes to remain at DMH and what career path he wants to pursue. His answers will determine whether he should seize the opportunity Breen offers to initiate changes more rapidly than usual, or play a mediating role between Breen and the lab chiefs.

- It will be difficult to control the prima donnas and easy to manage the lab chiefs who are "nice guys." Graham must be sure that the rewards go to the latter and not the former.

- Although the doctors' high level of technical specialization makes it difficult to understand and monitor their work, their professionalism assures management that they will exercise very strong self-and peer-control over the quality of their activities.

- The outcome of the test list incident is a good indicator of the power that rests with the purse strings. But hematology's approach to getting new equipment and supplementary budget appropriations demonstrates that even that power can be usurped by the medical staff.

During discussion of the general issues suggested, above, the class should develop a good understanding of the potential and limits of Graham's job, the expectations that he might reasonably have for what he can accomplish, and the various strategies and management styles that he might adopt. Attention can then turn to the second set of issues--how Graham should deal with three specific problems in a manner consistent with the strategy and style that students have decided is most appropriate for him. The three problems are Free T-4 testing, testing at outside labs, and contracting for tests at outside labs.

Free T-4 Testing: As with the issue of compiling a list of tests, the issue for Graham, here, is whether to defer to the doctors or insist upon what he believes to be the right managerial action, the difference with Free T-4 testing, of course, is that he is going contrary to all of the medical "advice" at DMH, and he is not supposed to practice medicine. On the one hand, he has reason to believe that some mutual back scratching is going on, so perhaps it's a good place to be tough. On the other hand, it is a question of medical opinion, and a decision to go against the opinion of the DMH physicians could provide them with a rallying point, based on principle, from which to undermine both Graham and Breen. (The issue was resolved in favor of performing the test in the hematology lab using the new method. There ensued a concerted effort by the medical staff to have Graham dismissed or severly reprimanded; but Breen backed Graham's actions without reservation, and the issue gradually subsided.)

Testing at Outside Laboratories: Students may design an infinite variety of control systems for dealing with this issue. The class should explore and compare several of them. At a minimum, a good system should (i) establish control over which tests go outside and which ones do not, (ii) ensure timely patient billing, (iii) protect the hospital from paying for tests that have not been performed, (iv) minimize delays between the time a test is requested and the time results are returned to the originating physician, and (v) introduce economic, as well as medical, considerations into routine decisions about testing.

Graham handled the problem by publishing an alphabetical index of all tests available to the medical staff and distributing copies throughout the hospital. The index provided medical information about each test and, in addition, whether it was to be performed at an outside lab or at DMH and the procedure required to use the test--size of specimen, type of container, forms to be filled out, and so forth. Outside tests were dispatched and received from a central point at DMH which verified that the test had to go out, chose the most economical outside lab, and assigned invoice numbers. A new five-part form allowed a copy to be sent to patient billing immediately. Data gathered at the central processing point was used to pinpoint high volume tests that might be considered for addition to the inside DMH test capability.

Contracting for Outside Tests: The information surrounding this issue is not developed very fully in the case. It seems apparent that the hospital is going to have to shift to some form of contracting and the question becomes how can this be done and still meet the objections voiced by the DMH staff. In other words, how can DMH write contracts that maintain the labs' incentive to give high quality, rapid service? Students should be asked to make suggestions, and the instructor may push the discussion as far as his own interest and background in contracting matters permits. DMH solved the problem by awarding contracts to several labs. This continued the hospital's option to select the lab that gave the most satisfactory service, and to stop sending tests to any lab that failed to perform adequately.